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To: All Bryant University Faculty and Staff

From: William J. Conaty '67, Chair of the Bryant University Board of Trustees
David C. Weinstein, Chair of the Compensation Committee
Bryant University Board of Trustees

Subject: President Machtley's Deferred Income

Two weeks ago, Ron Machtley announced his intention to retire at the end of the 2020 academic year, completing 24 years of service. During President Machtley's tenure, Bryant has grown from a college to a leading university in its class with demonstrated results and accomplishments that are simply too numerous to list.

In 2003, following President Machtley's successful first seven years as Bryant's leader, the Compensation Committee of Bryant's Board established a long-term deferred compensation plan for the president. The plan was designed as an incentive to retain President Machtley and to provide him with supplemental retirement compensation if he remained.

Consistent with that design, the deferred compensation plan provided that President Machtley would forfeit all amounts if he voluntarily decided to leave Bryant or was terminated for cause. The value of the potential benefits under the plan, including Bryant's original investment of approximately \$2.7 million, was exposed to market risks. As a result of this exposure, the plan's value fluctuated with the market, dramatically decreasing in 2008, and rising thereafter with record-setting equity markets. During this 15-year period, independent compensation consultants confirmed the reasonableness of the plan.

In 2017, in accordance with this plan, Bryant paid President Machtley a total of \$5.4 million, from which Bryant withheld \$2.5 million in federal and state taxes. In July 2018, Bryant made a second payment of approximately \$242,000 to Machtley under the plan, at which time the plan ended. As a result of these two payments, which were earned over the past 15 years, President Machtley's calendar year 2017 total compensation increased for that one year to \$6.2 million, and his calendar year 2018 total compensation was approximately \$995,000. By comparison, President Machtley's base salary was approximately \$695,000 in 2017 and \$709,000 in 2018.

Chair of the Board of Trustees William J. Conaty '67 commented on the creation of the retention based program, "It is common for Boards to determine that a long-term compensation plan is appropriate when the

continuity of leadership is in the best interests of the institution. In retrospect, the 2003 Bryant Board made a very important and strategic investment to incentivize President Machtley to remain at Bryant. Looking back over the past 15 years, this initial investment by the university has proven to be one of the best decisions Bryant ever made.”

David C. Weinstein, chair of the Board’s Compensation Committee, stated, “In 2003, the Board made both a sound investment and a strategic human resources decision. The Board members knew the importance of retaining President Machtley as Bryant’s leader in a very competitive marketplace. Through his exceptionally long tenure - one of the longest of any university president in the United States - President Machtley helped make Bryant University a leading institution in its category. On a personal level, President and Mrs. Machtley generously pledged \$1 million to the university’s capital campaign.”

President Machtley’s compensation for his final year as Bryant’s president does not include any long-term payments, other than standard employer contributions to the Bryant University retirement plan. Further details of Machtley’s total 2017 compensation are disclosed in Bryant’s IRS Form 990 filing.

Any questions concerning this announcement should be directed to Elizabeth O’Neil, Bryant University Associate Vice President for University Relations.

(A copy of this announcement has been sent to *Providence Business News*.)